



State of Utah

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October 21, 2009

Ron Wunderlich, VP
Land, Water, and Environmental
Western Utah Copper Company
1208 South 200 West
Milford, UT 84751

RECEIVED E-Mail

MAR 18 2010

Div. of Oil, Gas & Mining

Dear Mr. Wunderlich:

Subject: Construction Permit for a New Tailings Impound Basin, Western Utah Copper Company

On September 9, 2009, the Division of Water Quality (DWQ) received a submittal from Gem Engineering Inc. for the construction of a new tailings impound basin. The submittal included the following documents:

- Utah Ground Water Discharge Permit Application,
- Description of Mill Tailings,
- Site Characteristics,
- Ground Water Monitoring Plan,
- Lagoon System Location and Design,
- Embankment and Basin Construction, and
- Various Appendices to Support the Application.

The plans and specifications of the September 9, 2009 were reviewed and additional information was needed at that time. A letter dated September 17, 2009 was sent to Gem Engineering detailing the additional information required to complete the construction permit. Gem Engineering responded to that letter and in a submittal dated October 19, 2009 the required information was provided.

The plans and specifications, as submitted, comply with *the Utah Water Quality Rules, (R317, Utah Administrative Code)*. A **Construction Permit** is hereby issued as constituted by this letter, subject to the following conditions:

1. *Any revisions or modifications to the approved plans and specifications must be submitted to DWQ for review and approval, before construction or implementation thereof. Please submit any changes for review and approval directly to Woodrow Campbell, P.E., of the DWQ Ground Water Protection Section.*

2. *A written operations and maintenance manual, containing a description of the functioning of the facilities, an outline of routine maintenance procedures, and all checklists and maintenance logs needed for proper operation of the system, must be submitted and approved before the final inspection and operation of the system.*
3. *The approved facilities must not be placed in service until DWQ has made a final inspection, reviewed the as-built construction certification report, and provided written authorization to place the constructed facilities in service.*

The plans and specifications for this project must be stamped and signed by a Professional Engineer currently licensed to practice in the state of Utah. The construction design, inspection supervision, and written construction certification of all work associated with this Construction Permit must be performed by a Professional Engineer licensed to practice in the state of Utah.

A set of approved plans and specifications is returned herewith bearing an imprint of our construction permit stamp. The stamped set must be kept available for examination and inspections to be conducted by DWQ, or for resolution of any conflicts or discrepancies that may arise during construction or installation. Please contact Mr. Woodrow Campbell at the beginning of construction to allow periodic inspections to be scheduled.

This Construction Permit will expire one year from the date of its issuance, as evidenced by the date of this letter, unless substantial progress is made in constructing the approved facilities or the plans and specifications have been resubmitted and the construction permit is reissued. This permit does not relieve you, in any way, of your obligations to comply with other applicable local requirements. Please contact, Rod Cosslett, Director Environmental Health of the Southwest Utah Public Health Department at (435) 673-3671, or John Chartier, Southwest Utah District Engineer at (435) 865-5152 for further assistance regarding local matters.

Upon completion of the project, a final inspection and approval of the As-Built Construction Certification Report is required before the approval to operate the completed facilities can be issued. Please remain in contact with Mr. Campbell to schedule the final inspection. The Construction Certification Report with final as-built drawings must include test results for the following CQA/QC elements:

Soil Subgrade

- Proctor Curves,
- Soil Classification,
- Field Compaction Testing, and
- Subgrade Acceptance Certification.

Flexible Membrane Liner

- Panel Placement Log,
- Trial Seam Test Log,
- Seaming Record,
- Seam Test Record,
- Repair Log,
- As-Built Drawing,
- Manufacturer Certification including QA/QC Testing of the Rolls, and
- Professional Engineer Certification.

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If we can be of further assistance, please contact Mr. Woodrow Campbell at (801) 538-6067 or wwcampbell@utah.gov.

Sincerely,

UTAH WATER QUALITY BOARD

Walter L. Baker, P.E.
Executive Secretary

WLB/WWC:rfh

cc: John Chartier, Southwest Utah District Engineer
Southwest Utah Public Health Department

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